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ESPIONAGE

4th person is hinted in spy case

Weinberger calls U.S. loss 'serious'

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NORFOLK — The government suggested in papers made public here vesterday that a fourth person may be involved in the Walker family espionage case, and Defense Secretary Caspar W. Weinberger said the case had meant a "serious loss."

At a press conference in Washington, Mr. Weinberger said the Navy had taken "a few immediate" steps regarding operating procedures to counteract its losses, but he would not elaborate.

Mr. Weinberger said security was being tightened to minimize such incidents, but he could not guarantee there would be no more such cases.

The FBI's chief agent in Norfolk, John S. Wagner, told reporters there was "a good possibility that there will be more arrests."

The FBI so far has arrested John A. Walker, Jr., 47, a retired Navy warrant officer; his son, Michael, 22, a Navy enlisted man, and Arthur J. Walker, 50, a retired Navy lieutenant commander who is John Walker's brother.

[The New York Times reported from Washington that unidentified law enforcement officials said several employees of John Walker's private detective agency in Virginia Beach are expected to be arrested, probably next week. The Times said they would be charged with helping him and members of his family smuggle secret Navy documents to the Soviet Union.]

The FBI claims that John Walker has been passing information to the Soviets for 15 to 18 years.

Documents released yesterday provided a wealth of new details about the case in addition to suggesting that the alleged spy ring may have had a fourth member. They reval that the FBI has an unidentified "confidential informant" who allegedly saw John Walker make drops

of classified information in Washington in 1969 and 1971 and who witnessed his alleged receipt of \$35,000 in cash in a paper bag during one of these Washington trips.

John Walker's divorced wife reportedly tipped the FBI to his activities six months ago, but the documents gave no indication that she was the informant.

In another instance, an FBI affidavit in support of a search warrant said a "confidential source" told an agent of a hidden safe in the floor of the Walker residence here that contained "large amounts of money" and important papers.

The FBI reported no money on finding the safe but said it contained official Navy documents and two letters

The documents did reveal, however, that John Walker had 10 "silver bars" weighing 100 ounces each.

Representatives of both the U.S. attorney's office and the FBI declined to comment about the individual identified as "D." Documents released so far indicate it was John Walker's practice to use single letters for identification. The code letter for his son was "S" and he used "K" to refer to his brother in communications with his Soviet agent, authorities said.

One such communication described by the FBI also refers to "D." in that note, John Walker allegedly tells the Soviet agent that he has received two "Dear Johnny" letters from "D." The letters are not further described.

In addition to information on its search warrants and their results, the government yesterday gave the most complete account yet of Arthur Walker's activities.

In an affidavit filed in federal court here, the FBI said Arthur Walker admitted passing information destined for the Soviet Union to his brother over a five-year period, for which he received at least \$12,000.

Arthur Walker retired from the Navy in 1973. Much if not all of the information he is supposed to have provided to his brother apparently came from his job near here for a defense contractor, VSE Corporation, where he had a secret clearance for work on U.S. carrier and amphibious ship maintenance planning.

The FBI said Arthur Walker apparently was known as "K" in a communication that John Walker allegedly intended to pass to a Soviet

agent. That communication was found along with 129 classified documents in a bag dropped by John Walker in a rural section of Montgomery county May 20.

That drop prompted John Walker's arrest and the unraveling of the alleged spy ring that had been under investigation for six months.

The affidavit was released yesterday in conjunction with a preliminary hearing scheduled to determine whether Arthur Walker should be held pending grand jury action on the case. The hearing was postponed until Monday, however, when Mr. Walker said he could afford to pay for his own lawyer but hadn't found one since his arrest the night before.

U.S. Magistrate Gilbert R. Swink asked Mr. Walker if he wanted to have a lawyer present for the preliminary hearing. "I would feel more comfortable with one, your honor," he replied. He will be held without bail until the hearing resumes Monday.

Mr. Walker, a small, slight man, was brought into the courtroom with his hands handcuffed behind his back. He said nothing except to answer questions put to him by the magistrate.

In the affidavit, the FBI detailed one specific incident of information passing that it said Mr. Walker had admitted. That occurred April 28, 1982, when he passed a file, including material classified as confidential, to his brother, who photographed portions of it.

The FBI said Mr. Walker admitted to acquiring "another chunk of these" papers and photographing them for his brother on that same day.

John Walker and his son are in jail in Baltimore on charges relating to their alleged espionage. The arraignment of father and son was scheduled for Baltimore Tuesday.

The search warrants of John Walker's home, the office from which he ran his private detective businesses, his cars, boat and plane produced a number of items.

Among them were an undisclosed amount of marijuana, canes containing a gun, a dagger and hidden vials, a .357 magnum revolver and what the FBI described as a cipher device.